

TOWNSHIP OF GOLDEN, MICHIGAN
OCEANA COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
AND
INDEPENDENT AUDITORS' REPORT



Layton & Richardson, P.C.
Certified Public Accountants

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <u>Township of Golden</u>	County <u>Oceana</u>
Audit Date <u>March 31, 2004</u>	Opinion Date <u>June 30, 2004</u>	Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <u>Layton and Richardson, P.C.</u>			
Street Address <u>1000 Coolidge Rd.</u>	City <u>East Lansing</u>	State <u>MI</u>	ZIP <u>48823</u>
Accountant Signature <u>Mervin G. Richardson CPA</u>			

TOWNSHIP OF GOLDEN
TOWNSHIP BOARD

2003-2004

Donald Walsworth

Supervisor

Laurie Kolosci

Clerk

Connie Cargill

Treasurer

Carl Fuehring

Trustee

Carl Wiegand

Trustee

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INDEPENDENT AUDITORS' REPORT

Township Board
Township of Golden
Oceana County, Michigan

We have audited the general purpose financial statements of THE TOWNSHIP OF GOLDEN, MICHIGAN as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, including U.S. generally accepted auditing standards as set forth by the U.S. General Accounting Office in Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities and Functions. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Golden, Michigan as of March 31, 2004, and the results of its operations for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 30, 2004 on our consideration of the Township of Golden, Michigan's internal control structure, and a report dated June 30, 2004 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements and other supplementary information listed in the table of contents are presented for purposes of additional analysis, and are not a required part of the general purpose financial statements of the Township of Golden, Michigan. The information has been subjected to the auditing procedures applied in the audits of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Layton & Richardson P.C.

Certified Public Accountants

East Lansing, Michigan
June 30, 2004

COMBINED STATEMENTS - OVERVIEW

The Combined Statements provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow.

TOWNSHIP OF GOLDEN, MICHIGAN
ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
MARCH 31, 2004

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
	GENERAL	CAPITAL PROJECTS	TRUST AND AGENCY	GENERAL FIXED ASSETS	
ASSETS					
Cash and cash equivalents	\$ 478,892	\$ 64,555	\$ 32,433	\$	\$ 575,880
Investments		11,924			11,924
Due from county	31,183				31,183
Due from other funds	9,220				9,220
Land, buildings and equipment				273,432	273,432
TOTAL ASSETS	<u>\$ 519,295</u>	<u>\$ 76,479</u>	<u>\$ 32,433</u>	<u>\$ 273,432</u>	<u>\$ 901,639</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Due to other funds	\$	\$	\$ 9,220	\$	\$ 9,220
Accounts payable	<u>22,300</u>		<u>2,886</u>		<u>25,186</u>
TOTAL LIABILITIES	<u>22,300</u>		<u>12,106</u>		<u>34,406</u>
FUND BALANCE					
Investment in general fixed assets				273,432	273,432
Fund balance					
Designated			20,327		20,327
Undesignated	<u>496,995</u>	<u>76,479</u>			<u>573,474</u>
TOTAL FUND BALANCE	<u>496,995</u>	<u>76,479</u>	<u>20,327</u>	<u>273,432</u>	<u>867,233</u>
TOTAL LIABILITIES AND FUND BALANCE					
	<u>\$ 519,295</u>	<u>\$ 76,479</u>	<u>\$ 32,433</u>	<u>\$ 273,432</u>	<u>\$ 901,639</u>

See accompanying notes to financial statements.

TOWNSHIP OF GOLDEN, MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL	CAPITAL PROJECTS	TOTAL (MEMORANDUM ONLY)
REVENUES			
Property taxes	\$ 333,519	\$	\$ 333,519
State grants	125,156		125,156
Charges for services	13,093		13,093
Fines and fees	21,418		21,418
Interest	3,596	2,013	5,609
Other	2,070		2,070
	<u>498,852</u>	<u>2,013</u>	<u>500,865</u>
TOTAL REVENUES			
EXPENDITURES			
Legislative			
Township board	36,585		36,585
General government			
Supervisor	38,374		38,374
Elections	43		43
Clerk	17,918		17,918
Board of review	1,625		1,625
Treasurer	34,690		34,690
Building and grounds	44,730		44,730
Cemetery	3,693		3,693
Public safety			
Fire prevention	60,268		60,268
Planning and zoning	33,306		33,306
Public works			
Highways and streets	159,982		159,982
Street lighting	4,969		4,969
Recreation and culture			
Parks and recreation	6,574		6,574
Library	15,000		15,000
	<u>457,757</u>		<u>457,757</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	<u>41,095</u>	<u>2,013</u>	<u>43,108</u>
OTHER FINANCING USES			
Transfers out	<u>(9,000)</u>		<u>(9,000)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	32,095	2,013	34,108
FUND BALANCE, APRIL 1	<u>464,900</u>	<u>74,466</u>	<u>539,366</u>
FUND BALANCE, MARCH 31	\$ <u>496,995</u>	\$ <u>76,479</u>	\$ <u>573,474</u>

See accompanying notes to financial statements.

TOWNSHIP OF GOLDEN, MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 131,600	\$ 333,519	\$ 201,919
State grants	138,000	125,156	(12,844)
Charges for services	12,100	13,093	993
Fines and fees	28,500	21,418	(7,082)
Interest	2,500	3,596	1,096
Other	800	2,070	1,270
TOTAL REVENUES	<u>313,500</u>	<u>498,852</u>	<u>185,352</u>
EXPENDITURES			
Legislative	39,500	36,585	2,915
General government	139,075	141,073	(1,998)
Public safety	96,900	93,574	3,326
Public works	5,000	164,951	(159,951)
Recreation and culture	19,900	21,574	(1,674)
TOTAL EXPENDITURES	<u>300,375</u>	<u>457,757</u>	<u>(157,382)</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	<u>13,125</u>	<u>41,095</u>	<u>27,970</u>
OTHER FINANCING USES			
Transfers out		<u>(9,000)</u>	<u>9,000</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>13,125</u>	<u>32,095</u>	<u>18,970</u>
FUND BALANCE, APRIL 1	<u>464,900</u>	<u>464,900</u>	
FUND BALANCE, MARCH 31	<u>\$ 478,025</u>	<u>\$ 496,995</u>	<u>\$ 18,970</u>

See accompanying notes to financial statements.

TOWNSHIP OF GOLDEN
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE
CEMETERY PERPETUAL CARE FUND
FOR THE YEAR ENDED MARCH 31, 2004

REVENUES	
Interest	\$ 127
EXPENSES	<u> </u>
OPERATING INCOME	<u>127</u>
OTHER INCOME (EXPENSE)	
Transfer from general fund	<u>9,000</u>
NET INCOME	9,127
FUND BALANCE, APRIL 1	<u>11,200</u>
FUND BALANCE, MARCH 31	\$ <u><u>20,327</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF GOLDEN
COMBINED STATEMENT OF CASH FLOWS
CEMETERY PERPETUAL CARE FUND
FOR THE YEAR ENDED MARCH 31, 2004

CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES
Transfers from other funds

\$ 9,000

CASH FLOWS FROM INVESTING ACTIVITIES
Interest income

127

NET INCREASE IN CASH
AND CASH EQUIVALENTS

9,127

CASH AND CASH EQUIVALENTS, APRIL 1

11,200

CASH AND CASH EQUIVALENTS, MARCH 31

\$ 20,327

See accompanying notes to financial statements.

TOWNSHIP OF GOLDEN, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Golden is located in Oceana County, Michigan and operates under an elected Township Board. The Township provides general government operations.

The accounting policies of the Township of Golden conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. The Reporting Entity

As required by U.S. generally accepted accounting principles, the financial statements of the entity include only those of the Township of Golden, Michigan.

B. Accounting Structure

The accounts of the Township are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operation of each fund is accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. The following funds and account groups are used to account for the activities of the Township:

General Fund

This fund is used to account for all financial resources except those required to be accounted for in another fund. Revenues of this fund are primarily derived from general property taxes, fees for services, interest and state and federal distributions.

Capital Projects Fund

This fund is used to record the acquisition or construction of major capital facilities.

Trust and Agency Funds

The current tax collection fund and the agency fund are used to account for assets held as an agent for others. The cemetery perpetual care fund is reserved for cemetery care.

General Fixed Assets Account Group

This account group is used to record the fixed assets of the local unit utilized in its general operations.

TOWNSHIP OF GOLDEN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
MARCH 31, 2004

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Regardless of the measurement focus applied, basis of accounting relates to the timing of the measurements made.

All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. Only current assets and liabilities are generally included on the balance sheet. Operating statements for these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used for all Governmental Funds, Expendable Trust Funds and Agency Funds. Their revenues are recognized when they become measurable and available as net current assets.

“Measurable” means the amount of the transaction can be determined. “Available” is defined as being collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include property taxes, interest earnings, reimbursement-type grants, and reimbursements for use of materials or services. Property tax revenues are recognized when they are levied.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid sick pay and principal and interest on general long-term debt which is recognized when due.

The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

D. Budgetary Accounting Controls

The General fund is subject to accrual basis budgetary control. Formal budgets are adopted (as required by law) and budgetary transfers, additional appropriations from additional revenues received or from unexpended funds appropriated but not spent in prior years, etc., are made as and when required. Under the Township’s budget procedures, amounts appropriated by functional classification as revenue and expenditures of the General fund include interfund transfers. Since such transfers represent internal transactions within the Township government, they are reported separately in the financial statements of the various funds. Budgets lapse at the end of the fiscal year.

TOWNSHIP OF GOLDEN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
MARCH 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Budgetary Accounting Controls - Continued

The following procedures are followed in establishing the budgetary data reflected in these general purpose financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these general purpose financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

E. Receivables

Receivables have been recognized for all significant amounts due the Township. No allowances have been made for non-collectable accounts because most delinquent receivables can be added to the tax roll if they remain unpaid and become a lien against the property.

F. Cash and Cash Equivalents

For purposes of the statements of cash flows, the proprietary and fiduciary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

TOWNSHIP OF GOLDEN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
MARCH 31, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Concluded

G. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets as these assets are immovable and of value only to governments. General fixed assets are not depreciated.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at their estimated fair market value on the date of donation.

The General Fixed Assets Account Group is not a "fund." The Group only measures financial position. The Group does not measure the results of operations.

H. Property Tax Revenue

Properties are assessed as of December 31, and the related taxes become a lien on July 1 of the following year. These taxes are due on December 1, with a final collection date of February 28 before they are returned to the County as delinquent.

I. Total Columns on the Combined Statements - Overview

The total columns on the Combined Statements - Overview is captioned "Memorandum Only," to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or cash flows in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. Investments

Investments are stated at market.

K. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWNSHIP OF GOLDEN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
MARCH 31, 2004

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004 the Township did incur expenditures in certain budgetary funds that were in excess of the amounts appropriated.

	BUDGET	ACTUAL	VARIANCE
General Fund			
General government	\$139,075	\$141,073	\$(1,998)
Public works	5,000	164,951	(159,951)
Recreation & Culture	19,900	21,575	(1,675)

NOTE 3: CASH AND CASH EQUIVALENTS

	PER BOOKS	PER BANK	FDIC INSURED
Cash and cash equivalents	\$ <u>587,804</u>	\$ <u>1,169,092</u>	\$ <u>120,327</u>

NOTE 4: CHANGES IN GENERAL FIXED ASSETS

	BALANCE, APRIL 1	ADDITIONS	DELETIONS	BALANCE, MARCH 31
Land and improvements	\$ 47,225	\$	\$	\$ 47,225
Building and road improvements	155,798	35,000		190,798
Equipment	<u>32,085</u>	<u>3,324</u>		<u>35,409</u>
TOTALS	\$ <u>235,108</u>	\$ <u>38,324</u>	\$	\$ <u>273,432</u>

NOTE 5: PENSION PLAN

The Township has a defined contribution pension plan covering all full time employees. The Township contributes an amount of each employee's annual salary to the plan. Pension expense for the fiscal year ended March 31, 2004 was \$2,672.

TOWNSHIP OF GOLDEN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Continued
MARCH 31, 2004

NOTE 6: DEPOSITS AND INVESTMENTS

Michigan Complied Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations: bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government of federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated three banks for the deposit of Township funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

The Township's deposits and investments are in accordance with statutory authority except for a \$11,924 investment with AIG Annuity Insurance Company of Texas.

The Township's investments are categorized below to give an indication of the level of risk assumed by the Township. Risk category 1 includes those investments that meet any one of the following criteria: insured, registered, or held by the Township or its agent. Risk categories 2 and 3 include investments that are neither insured nor registered. Category 2 includes investments that are held by the counterparty's trust department (or agent) in the Township's name. Category 3 includes investments held by the counterparty's trust department (or agent) but not in the Township's name.

The GASB Statement No. 3 risk disclosures for the Township's investments are categorized as follows:

	CATEGORY 1	CATEGORY 2	CATEGORY 3	CARRYING AMOUNT
INVESTMENT TYPE				
Risk Categorized	\$ _____	\$ _____	\$ _____	\$ _____
Total Risk-Categorized Investments	\$ _____	\$ _____	\$ _____	
Nonrisk-Categorized Annuity				<u>11,924</u>
TOTAL INVESTMENTS				<u>\$ 11,924</u>

The annuity is not categorized because it is not evidenced by securities that exist in physical or book entry form.

TOWNSHIP OF GOLDEN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS - Concluded
MARCH 31, 2004

NOTE 7: INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

FUND	INTERFUND RECEIVABLE	FUND	INTERFUND PAYABLE
General	\$ 324	Agency	\$ 324
General	<u>8,896</u>	Current Tax Collection	<u>8,896</u>
TOTAL	\$ <u>9,220</u>	TOTAL	\$ <u>9,220</u>

GENERAL FUND

The General Fund is used to account for resources traditionally associated with local government, and any other activity for which a special fund has not been created.

TOWNSHIP OF GOLDEN, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes			
Taxes - 2004 levy	\$ 126,600	\$ 331,236	\$ 204,636
Payment in lieu of taxes	5,000	2,283	(2,717)
Total Taxes	<u>131,600</u>	<u>333,519</u>	<u>201,919</u>
State grants			
Shared revenues	<u>138,000</u>	<u>125,156</u>	<u>(12,844)</u>
Charges for services			
PTAF and collection fees	28,500	21,418	(7,082)
Licenses and permits	<u>12,100</u>	<u>13,093</u>	<u>993</u>
Total Charges for services	<u>40,600</u>	<u>34,511</u>	<u>(6,089)</u>
Other revenue			
Interest	2,500	3,596	1,096
Miscellaneous	<u>800</u>	<u>2,070</u>	<u>1,270</u>
Total Other revenue	<u>3,300</u>	<u>5,666</u>	<u>2,366</u>
TOTAL REVENUES	<u>313,500</u>	<u>498,852</u>	<u>185,352</u>
EXPENDITURES			
LEGISLATIVE			
Township Board			
Township Board trustee wages	3,000	3,500	(500)
Township Board retirement benefits		3,834	(3,834)
Supplies	3,000	4,002	(1,002)
Professional services	15,000	7,382	7,618
Printing and publishing	1,500	1,153	347
Miscellaneous	3,000	2,715	285
Insurance and bonds	<u>14,000</u>	<u>13,999</u>	<u>1</u>
TOTAL LEGISLATIVE	<u>39,500</u>	<u>36,585</u>	<u>2,915</u>
GENERAL GOVERNMENT			
Supervisor			
Salaries and wages	9,000	9,600	(600)
Professional services	500		500
Mileage	600		600
Printing and publishing	100		100
Assessor contract	35,000	28,200	6,800
Supplies		404	(404)
Miscellaneous	<u></u>	<u>170</u>	<u>(170)</u>
Total Supervisor	<u>45,200</u>	<u>38,374</u>	<u>6,826</u>

TOWNSHIP OF GOLDEN, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - Continued
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES - Continued			
GENERAL GOVERNMENT - Concluded			
Election			
Salaries and wages	\$ 500	\$	\$ 500
Professional services	500		500
Supplies	1,000	43	957
Total Election	<u>2,000</u>	<u>43</u>	<u>1,957</u>
Clerk			
Salaries and wages	<u>13,900</u>	<u>17,918</u>	<u>(4,018)</u>
Board of Review			
Salaries and wages	1,500	1,175	325
Professional services	500		500
Printing and publishing	500	450	50
Total Board of Review	<u>2,500</u>	<u>1,625</u>	<u>875</u>
Treasurer			
Salaries and wages	16,475	17,575	(1,100)
Mileage	1,200		1,200
Supplies	8,000	16,155	(8,155)
Clerical help	3,000	960	2,040
Total Treasurer	<u>28,675</u>	<u>34,690</u>	<u>(6,015)</u>
Township Hall			
Supplies	2,000	390	1,610
Professional services	2,000	557	1,443
Utilities and telephone	5,000	3,534	1,466
Repairs and maintenance	10,000	966	9,034
Capital outlay	2,000	38,325	(36,325)
Miscellaneous		958	(958)
Total Township Hall	<u>21,000</u>	<u>44,730</u>	<u>(23,730)</u>
Cemetery			
Supplies	2,500	2,448	52
Salaries and wages	7,000		7,000
Public utilities	300		300
Capital outlay	15,000		15,000
Professional services	1,000	1,245	(245)
Total Cemetery	<u>25,800</u>	<u>3,693</u>	<u>22,107</u>
TOTAL GENERAL GOVERNMENT	<u>139,075</u>	<u>141,073</u>	<u>(1,998)</u>

TOWNSHIP OF GOLDEN, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - Concluded
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES - Concluded			
PUBLIC SAFETY			
Fire Prevention			
Fire participation contract	\$ 72,000	\$ 60,268	\$ 11,732
Zoning and Planning Commission			
Salaries and wages	16,500	10,409	6,091
Professional services	5,000	20,305	(15,305)
Mileage	600		600
Printing and publishing	1,800	2,014	(214)
Office supplies	1,000	578	422
Total Zoning and Planning Commission	24,900	33,306	(8,406)
TOTAL PUBLIC SAFETY	96,900	93,574	3,326
PUBLIC WORKS			
Street lighting	5,000	4,969	31
Highway, streets and bridges			
Repairs and maintenance		159,982	(159,982)
TOTAL PUBLIC WORKS	5,000	164,951	(159,951)
RECREATION AND CULTURE			
Recreation Fund			
Salaries and wages	2,400	5,229	(2,829)
Supplies	500		500
Professional services	2,000	1,345	655
Total Recreation Fund	4,900	6,574	(1,674)
Library Fund			
Library Hart contract	15,000	15,000	
TOTAL RECREATION AND CULTURE	19,900	21,574	(1,674)
TOTAL EXPENDITURES	300,375	457,757	(157,382)
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	13,125	41,095	27,970
OTHER FINANCING USES			
Transfers out		(9,000)	9,000
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	13,125	32,095	18,970
FUND BALANCE, APRIL 1	464,900	464,900	
FUND BALANCE, MARCH 31	\$ 478,025	\$ 496,995	\$ 18,970

FIDUCIARY FUNDS

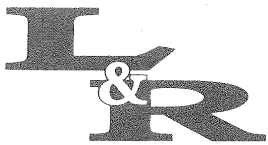
Fiduciary Funds are established to administer resources received and held by a governmental unit as the trustee or as the agent for others. Use of these funds facilitates the discharge of responsibilities placed upon the governmental unit by virtue of law or other similar authority upon the governmental unit by virtue of law or other similar authority.

TOWNSHIP OF GOLDEN
COMBINING BALANCE SHEET
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	TRUST FUND	AGENCY FUNDS		
	CEMETERY PERPETUAL CARE	CURRENT TAX COLLECTION	AGENCY	TOTAL
ASSETS				
Cash in bank	\$ <u>20,327</u>	\$ <u>8,896</u>	\$ <u>3,210</u>	\$ <u>32,433</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$	\$ 8,896	\$ 324	\$ 9,220
Due to others	<u> </u>	<u> </u>	<u>2,886</u>	<u>2,886</u>
TOTAL LIABILITIES	<u> </u>	<u>8,896</u>	<u>3,210</u>	<u>12,106</u>
FUND BALANCES				
Reserved for cemetery care	<u>20,327</u>	<u> </u>	<u> </u>	<u>20,327</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>20,327</u>	\$ <u>8,896</u>	\$ <u>3,210</u>	\$ <u>32,433</u>

TOWNSHIP OF GOLDEN, MICHIGAN
STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2004

	BALANCE 4-01-03	ADDITIONS	DEDUCTIONS	BALANCE 3-31-04
ASSETS				
Cash	\$ <u>56,963</u>	\$ <u>3,467,217</u>	\$ <u>3,512,074</u>	\$ <u>12,106</u>
LIABILITIES				
Due to other funds	\$ 54,762	\$ 349,287	\$ 394,829	\$ 9,220
Due to others	<u>2,201</u>	<u>3,117,930</u>	<u>3,117,245</u>	<u>2,886</u>
TOTAL LIABILITIES	\$ <u>56,963</u>	\$ <u>3,467,217</u>	\$ <u>3,512,074</u>	\$ <u>12,106</u>



Layton & Richardson, P.C.

Certified Public Accountants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

1000 Coolidge Road
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Township Board
Township of Golden
Oceana County, Michigan

We have audited the general purpose financial statements of the Township of Golden, Michigan, as of and for the year ended March 31, 2004 and have issued our report thereon dated June 30, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Golden Township's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Golden Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Township Board, management, and State and Federal Agencies. However, this report is a matter of public record and its distribution is not limited.

Layton + Richardson P.C.
Certified Public Accountant

East Lansing, Michigan
June 30, 2004

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AUDITORS' LETTER OF COMMENTS AND RECOMMENDATIONS

Township Board
Township of Golden
Oceana County, Michigan

We have audited the general purpose financial statements of the Township of Golden for the year ended March 31, 2004, and have issued our report on those statements. As part of the audit process, we tested and evaluated the system of internal accounting control and the procedures used to record the financial transactions of the Township of Golden. These tests and evaluations are important to the audit process because they serve as the basis for our opinion on the reliability and accuracy of the financial statements.

The management of the Township of Golden is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

Our study and evaluation of the internal accounting control system would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Township of Golden.

CURRENT YEAR RECOMMENDATIONS

DISBURSEMENTS

We noted during our audit that none of the invoices were approved with initials before being paid. We recommend that all invoices be approved with the clerk or treasurer's initials before they are paid. This will reduce the risk of fraud.

We noted during our audit that none of the invoices were cancelled after being paid. We recommend that either the invoice be stamped paid or the check number written on the invoice to cancel the invoice. This will help to eliminate duplicate payments.

ILLEGAL INVESTMENTS

We recommend that the AIG Annuity Insurance be sold since it is an illegal investment according to the State of Michigan law and the Township investment policy.

BUDGETS

We recommend that budgets for the general fund be amended quarterly and at the last Township meeting in March. This will reduce problems with activities over budgets. Also, a copy of the original budget should be attached to the minutes in which the budget was adopted. This attachment will ensure which version of the final budget is the final budget.

We are grateful to the Township employees for the assistance and cooperation we received during the audit and we thank them.

Layton + Richardson PC

Certified Public Accountants

East Lansing, Michigan
June 30, 2004